

MUR # 7336

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BEFORE THE
FEDERAL ELECTION COMMISSION

American Democracy Legal Fund
455 Massachusetts Avenue, NW
Washington, DC 20001

v.

The Honorable John Michael Mulvaney
725 17th Street, NW
Washington, DC 20503

OFFICE OF
GENERAL COUNSEL
2018 MAR - 1 PM 3:30

COMPLAINT

American Democracy Legal Fund ("Complainant"), by and through its Treasurer, Brad Woodhouse, files this complaint under 52 U.S.C. § 30109(a)(1) against John Michael Mulvaney ("Respondent Mulvaney"), for converting campaign funds to personal use as prohibited by the Federal Election Campaign Act of 1971, as amended, 52 U.S.C. § 30101 *et seq.*

Complainant is a nonprofit organization committed to promoting accountability and ethics in government and campaigns by shining a light on public officials and candidates who put their own interests ahead of public service.

Recent days have brought a sharp focus on so-called "zombie" campaigns, where "[t]he campaign is over ... [b]ut the spending never stops."¹ Public records show that Respondent Mulvaney used *his* zombie campaign to pay for so-called strategists, private club expenses, travel and direct mail, and even paid himself, months after leaving Congress, and without showing any debts from his last campaign on his prior reports. The FEC should immediately investigate these zombie expenditures.

A. FACTS

Respondent Mulvaney was a Member of the U.S. House of Representatives from South Carolina's Fifth District until he resigned from Congress on February 16, 2017 to serve as President Donald J. Trump's Director of the Office of Management and Budget.²

Commission and public records demonstrate that Respondent Mulvaney was never a candidate for re-election for the 2018 election cycle:

¹ <http://www.tampabay.com/projects/2018/investigations/zombie-campaigns/spending-millions-after-office/>.

² See <https://www.congress.gov/crec/2017/02/16/CREC-2017-02-16-pt1-PgH1255-6.pdf>.

- They show he filed his most recent Statement of Candidacy with the Commission on January 27, 2015—for the 2016 election cycle.³ They show he filed no Statement of Candidacy for the 2018 cycle.⁴
- President-elect Trump announced his intention to nominate Respondent Mulvaney as OMB Director on December 16, 2016, less than six weeks after the 2016 election.⁵
- Mulvaney for Congress filed a termination report with the Commission on October 13, 2017, that showed \$206.30 in total receipts for the 2018 election cycle.⁶

Still, after Respondent Mulvaney entered the Trump Administration, his defunct campaign committee repeatedly spent funds on activities that appeared to have nothing to do with his past campaigns or Congressional service. These expenditures include:

- \$1,984.86 to Eric Bedingfield—Mulvaney’s former deputy chief of staff and campaign manager—for “Strategic Consulting” on July 28, 2017.⁷
- \$769.78 to Starboard Communications Inc for “direct mail” on March 22, 2017.⁸
- \$750 to Al Simpson—Mulvaney’s former chief of staff, who joined the lobbying firm Mercury LLC⁹—for “Strategic Consulting” on June 21, 2017.¹⁰
- \$541.02 to the Capitol Hill Club for “Meeting Expenses” on June 1, 2017.¹¹
- \$541.02 to the Capitol Hill Club for “Catering” on July 17, 2017.¹²
- \$457.87 to Gula Graham, a fundraising consultant, for “Travel” on February 28, 2017.¹³
- \$440.00 to Respondent Mulvaney himself for “Travel” on May 17, 2017.¹⁴

Mulvaney for Congress also had extraordinarily large, redundant compliance expenses for a committee whose cash-on-hand as of December 31, 2016 was only \$156,797.36, and which had no debts or obligations.¹⁵ These included *two* \$17,500 payments made over less than six weeks

³ See <http://docquery.fec.gov/pdf/924/15950089924/15950089924.pdf>.

⁴ See <https://www.fec.gov/data/candidate/H0SC05031/?tab=about-candidate&cycle=2018>.

⁵ See <https://www.nytimes.com/2016/12/16/us/politics/mick-mulvaney-office-management-budget-trump.html>.

⁶ See <http://docquery.fec.gov/pdf/872/201710139075651872/201710139075651872.pdf>.

⁷ See <http://docquery.fec.gov/pdf/872/201710139075651872/201710139075651872.pdf> at 6.

⁸ See <http://docquery.fcc.gov/pdf/315/201704149052247315/201704149052247315.pdf> at 13.

⁹ See <https://www.politico.com/tipsheets/politico-influence/2017/02/three-big-hires-for-mercury-218572>.

¹⁰ See <http://docquery.fec.gov/pdf/578/201707139066623578/201707139066623578.pdf> at 7.

¹¹ See <http://docquery.fec.gov/pdf/578/201707139066623578/201707139066623578.pdf> at 5.

¹² See <http://docquery.fec.gov/pdf/872/201710139075651872/201710139075651872.pdf> at 6.

¹³ See <http://docquery.fec.gov/pdf/315/201704149052247315/201704149052247315.pdf> at 8.

¹⁴ See <http://docquery.fec.gov/pdf/578/201707139066623578/201707139066623578.pdf> at 6.

¹⁵ See <http://docquery.fec.gov/pdf/440/201701319042332440/201701319042332440.pdf> at 4.

blandly as "meeting expenses." Finally, the public records show that the zombie Mulvaney campaign paid \$440.00 to Respondent Mulvaney himself, more than six months after the election was over, for "Travel" that was never reported as debt.

C. REQUESTED ACTION

The public record presents reason to believe that Respondent John Michael Mulvaney converted his campaign funds to personal use. Complainant respectfully requests that the Commission seek the maximum penalties permitted by law, determine whether referral for criminal enforcement is required under Commission practice,²⁶ and enjoin Respondent Mulvaney from future violations of the law.

Sincerely

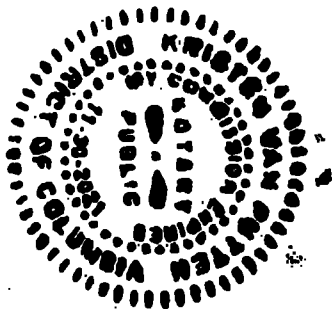

Brad Woodhouse
American Democracy Legal Fund

SUBSCRIBED AND SWORN to before me this 23 day of February, 2018.


Notary Public

My Commission Expires:

Nov 30, 2021



²⁶ See <https://www.justice.gov/sites/default/files/criminal/legacy/2013/09/30/electbook-0507.pdf> at 174-76.